LEGISLATIVE DIGEST
HOUSE REPUBLICAN CONFERENCE | CHAIRMAN ADAM PUTNAM
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Conference Report on H.R. 2419 – Food and Energy Security Act

EXECUTIVE SUMMARY

The Conference Report on H.R. 2419 is expected to be considered on the floor under a closed rule on May 14, 2008. The House passed H.R. 2419 by a vote of 231 to 191 on July 27, 2007, and the Conference Report was filed on May 13, 2008.

The Conference Report to H.R. 2419 includes a broad range of farm policies and agricultural programs intended for the continued production of an abundant, safe and affordable food supply. The conference agreement prohibits individuals with more than $500,000 in non-farm related income from collecting subsidies and makes individuals making more than $750,000 in farm related income ineligible for direct payment subsidies. It also increases conservation program spending by $7.9 billion. As part of the energy provision to assist with the development of advanced biorefineries, the conference agreement expands Davis-Bacon local prevailing wage requirements.

According to Ranking Republican Goodlatte, "We've made great strides in reforming farm programs to reduce benefits going to the wealthiest of farmers and non-farmers alike, require direct attribution of benefits, establish a revenue-based counter-cyclical program, strengthen beneficial interest, and strengthen the integrity of the crop insurance program in addition to several other significant reforms. For the first time in history, we're putting a hard cap on the adjusted gross income (AGI) standard to prevent the wealthiest from receiving payments."

In a statement given on May 13, 2008, the President threatened to veto H.R. 2419 because the bill "fails to stop the practice of collecting subsidies even when crops are sold later at a higher price; it restricts our ability to redirect food aid dollars for emergency use in the midst of a global food crisis; and it falls short of the Administration's conservation proposals."

The Congressional Budget Office (CBO) estimates that H.R. 2419 would increase direct spending by $3.6 billion over ten years and would increase revenues by $0.7 billion over that same time period. CBO estimates that enacting the bill would cost $307 billion over five years.

FLOOR SITUATION

The Conference Report to accompany H.R. 2419 is being considered on the floor pursuant to a closed rule. The rule:

- Waives all points of order against the conference report and against its consideration.
- Provides that the conference report shall be considered as read.
- Provides one hour of general debate equally divided and controlled by the Chairman and Ranking Minority Member of the Committee on Agriculture.
- Provides one motion to recommit.

The bill was introduced by Representative Collin Peterson (D-MN) on May 22, 2007. The House passed H.R. 2419 on July 27, 2007, by a vote of 231 to 191.

BACKGROUND

Federal farm laws cover a broad range of farm policies and agricultural programs, including price and income support, farm credit, agricultural conservation, support for rural development, and foreign and domestic food programs. The most recent farm reauthorization, the Farm Security and Rural Investment Act of 2002 (P.L. 107-171), was signed into law on May 13, 2002. The Farm Security and Rural Investment Act of 2002 was authorized for five years, and was set to expire in 2007. Congress has enacted five short-term extensions of the farm bill, the most recent of which expires on May 16, 2008.

On July 27, 2007, the House passed its version of the farm bill (H.R. 2419) by a vote of 231-191 (Legislative Digest for H.R. 2419). The House version of the bill included a number of provisions including increases to federal farming subsidies for producers of wheat, barley, oats, soybeans, seeds, and cotton textile mills. Additionally, the House bill removes the cap on the number of payments an individual can receive in federal loan payments. On December 14, 2007, the Senate passed its version of the farm bill by a vote of 79 to 14. Both the House and the Senate farm bills contain provisions that would make changes to tax laws, as well as to commodity support and risk management policies and programs.

The Administration opposed both the previous House and Senate versions of the farm bill (SAP on House farm bill and Senate farm bill). The Administration cited provisions in both bills, including those relating to taxes, farm income subsidies, and commodity and crop insurance programs, to be among the reasons for its opposition to the bills.

The House appointed conferees to reconcile the Senate and House versions of the Farm Bill on April 9, 2008. The Republican motion to instruct conferees directed conferees to oppose any provision that would result in a tax increase. This Republican motion passed by a vote of 400 – 11. The Conference Report for the Farm bill was filed on May 13, 2008.

SUMMARY

**Note: Below is a summary of the major programs and provisions of H.R. 2419.*

Title I – Commodities

Direct Payments: The bill extends the program of direct payments to commodity producers. The program includes producers of ten commodities: wheat, corn, sorghum, barley, oats, upland cotton, rice, soybeans, peanuts, and minor oilseeds. A fixed rate is set for each commodity and the crop producers receive an annual sum based on their individual, historical levels of production. The conference agreement reduces the percentage of base acreage that a producer can receive direct payment from 85 percent to 83.3 percent.

Target Prices: The legislation increases the target prices for wheat (+ 0.25), barley (+ 0.39), oats (+ 0.35), soybeans (+ 0.20), and minor oilseeds (+ 0.014) and reduces the target price for upland cotton (- 0.0115). For the ten commodities with federal target prices, the government agrees to pay the difference if the market price for a crop falls below the established target price.

**Note: The target prices for corn, sorghum, rice and peanuts remain unchanged.*

Average Crop Revenue Election Program: The conference agreement includes an optional, revenue-based Counter-Cyclical program called the Adjusted Crop Revenue Election (ACRE) program. As an alternative to the traditional counter-cyclical program, a producer can forgo 20 percent of the direct payment rate and 30 percent of marketing assistance loan rates and instead participate in this new, revenue-based program. Once a producer has elected to enter the ACRE program, they are required to remain in that program through 2012.

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Loan Rates: In H.R. 2419 the loan rates are increased for wheat, malt barley, feed barley, oats, minor oilseeds, small chickpeas, non-graded wool, sugar beets, and sugar cane. The loan rates are decreased for dry peas and for lentils and the remaining ten commodities' loan rates remain unchanged. In addition, it creates a new loan program for large chickpeas.

> **Note: The loans are considered "non-recourse" because the crops themselves are put up as collateral for the loans and can serve as payment for loans if prices fall below the loan rate. If the crops sell for a higher price, the producer repays the loan with interest, and if the market price does not rise above the loan rate, then the producer gives the government their stock of crops as payment for the loan. Alternatively, a producer can forgo the loan and instead receive a Loan Deficiency Payment instead, which prevents the government from becoming the owner of stocks of crops if prices fall.*

Three Entity Rule: The bill establishes a new rule that producers, who can currently collect farm program payments on up to three separate business entities, will only be able to collect payments on one business entity.

Income Cap to Receive Federal Payments: This title makes individuals with greater than $500,000 in off-farm Adjusted Gross Income ineligible for the direct payment, marketing loans, loan deficiency payments, and the counter-cyclical program. In addition, producers with Adjusted Gross Farm Income in excess of $750,000 are not eligible for direct payments.

> **Note: Current law sets an individual's average AGI cap at $2.5 million before they are ineligible for federal conservation or farm payments.*

Dairy: The Milk Income Loss Compensation (MILC) program is extended through 2012 and is authorized at a level $410 million over baseline. In addition, the conference agreement modifies the milk price support program to directly establish the prices for butter, powdered milk, and cheese.

Title II - Conservation

This title would reauthorize and expand land conservation programs administered by USDA, and represents a nearly $5 billion dollar increase in budget authority over the next ten years

Wetlands Reserve Program (WRP): The WRP is reauthorized and expanded to increase maximum enrollment to 3,0421,200 acres. The conference agreement includes a provision that establishes a Wetlands Reserve Enhancement Program that authorizes the Secretary to enter into agreements with public or private entities to carry out wetlands reserve activities and includes a pilot program that enables a landowner to reserve grazing rights in the easement.

The Conservation Reserve Program (CRP): The CRP is extended and the bill authorizes 32 million acres to be enrolled in the program through 2012.

The Conservation Security Program (CSP): The conference agreement authorizes $1.1 billion in additional new budget authority for CSP. The agreement revamps the current CSP program and allows the Secretary to enter into 5 year, $200,000 contracts to encourage producers to address resource concerns in a comprehensive manner. The conference agreement ends new contracts under the existing CSP and authorizes new contracts to be awarded under the new CSP.

Grasslands Reserve Program (GRP): Enrollment in the Grasslands Reserve Program is expanded by 1.22 million acres by 2012.

Environmental Quality Incentive Program (EQIP): The conference agreement makes non-industrial private forest land eligible for the program. The conference agreement provides $3.393 billion in additional new budget authority for EQIP.

> **Note: EQIP offers financial and technical help to assist eligible participants to install or implement structural and management conservation practices on eligible agricultural land.*

Agriculture Water Enhancement Program: The conference agreement authorizes a new program to deal with water quantity and quality issues. The program allows producers to come together with partners to leverage funds and attack problems on a regional basis

Chesapeake Bay Watershed Program: The conference agreement establishes a new program that requires the Secretary to assist producers in implementing conservation activities in the Chesapeake Bay watershed. The program authorizes $438 million in budget authority for this new program.

Farm and Ranchland Protection Program: Funding for the Farm and Ranchland Program authorizes an additional $773 million.

Title III – Trade

Food Prepositioning: The conference agreement increases funding for pre-positioning of U.S. food aid overseas to $10 million per year.

International Food Aid: The international food aid programs operated by the USDA and USAID are extended through 2012.

WTO Compliance: The international food aid programs operated by the USDA and USAID are extended through 2012. The Export Credit Guarantee Programs are reformed to bring them into WTO compliance, with changes including the removal of a 1% fee cap on an export credit program and the elimination of long term export credit.

> **Note: These changes were made in response to a March 2005 WTO ruling that the United States export credit programs functioned as export subsidies and were in violation of WTO rules.*

Market Access Program (MAP): Funding for MAP, which promotes U.S. agricultural products overseas, is maintained at $200 million in mandatory spending for over ten years.

Child Labor and Forced Labor in Imported Agricultural Products: The conference agreement establishes a Consultative Group to Eliminate the Use of Child Labor and Forced Labor in Imported Agricultural Products. The Group must make recommendations to the Secretary within two years of enactment for a standard set of practices for independent, third-party monitoring and verification of imported agricultural products to reduce the likelihood that child and forced labor is not used.

Local and Regional Food Aid Procurement: The agreement establishes a $60 million pilot program for purchasing food aid in developing countries.

Global Crop Diversity Trust: The conference agreement authorizes $60 million for the Administrator of the United States Agency for International Development (USAID) to contribute to the Global Crop Diversity Trust to assist in the conservation of genetic diversity in food crops through the collection and storage of germplasm. The conference agreement specifically states that the U.S. contribution to the Trust cannot exceed 25 percent of the total funds contributed.

Title IV - Nutrition

**Note: CBO estimates an increase of $10.3 billion over the baseline for spending on nutrition programs over a ten year period.*

Food Stamp Program: The bill reauthorizes the Food Stamp Program (PL 108-269) through 2012 and changes its name to the Supplemental Nutrition Assistance Program (SNAP).

Standard Income Deductions: The bill increases the minimum standard deduction from gross income to $144 a month for the 48 contiguous States and D.C. (the current standard deduction is 8.31% or $134), $246 for Alaska, and $203 for Hawaii for FY2008. In subsequent years, it would be indexed for inflation based on the Consumer Price Index for Urban Consumers. The bill also eliminates the cap of dependent care costs.

> **Note: This provision is slightly less than the minimum standard deduction set by the House-passed version ($145, $248, and $205, respectively). CBO estimates that the above paragraph, if implemented, would increase direct spending by $5.42 billion during the FY2008-2012 period.*

Assets: The Conference Report indexes for inflation the SNAP eligibility limits for the value of a family's financial resources. It also excludes retirement and education accounts when determining assets.

Increasing the Minimum Benefit: The Conference Report increases the Supplemental Nutrition Assistance Program minimum benefit by changing it from $10 per month to 8 percent of the inflation-indexed "Thrifty Food Plan."

Income Exclusions for SNAP: The Conference Report excludes combat related pay and dependent care expenses when determining eligibility for the Supplemental Nutrition Assistance Program.

Issuance of Food Stamp Coupons: The Conference Report requires States to utilize alternative methods, including electronic benefit cards, to distribute food stamp benefits if it is determined that it improves the integrity of the program.

> **Note: The House-passed bill prohibited States from using coupons, stamps, and certificates in an effort to reduce abuse and fraud. It would have replaced coupons with the electronic benefit card.*

Pilot Projects to Evaluate the Health and Nutrition Promotion in the Supplemental Nutrition Assistance Program: The Conference Report requires the Secretary to create pilot programs to utilize the SNAP program to improve the diet and health of low-income individuals and to combat obesity. The bill provides $20 million in mandatory spending to provide incentives for buying fruits, vegetables, and other healthy foods.

The Emergency Food Assistance Program (TEFAP): The Conference Report increases mandatory funding for TEFAP to $190 million in FY2008 and $250 million in FY2009 (the current mandatory funding level is $140 million/year). The mandatory spending is indexed from $250 million according to food price inflation for FY2010-2012. TEFAP is responsible for helping to provide commodities to States and stocking food banks and homeless shelters. Additionally, the Conference Report increases funding authority from $60 million to $100 million to help States pay for processing, storage, transporting, and distributing emergency food.

Commodity Supplemental Food Program (CSFP): The Conference Report extends CSFP through 2012. The program primarily serves low-income elderly as well as low-income women, infants, and children. It allows States to provide elderly citizens with incomes below 185% of poverty with food assistance. It also prohibits the Secretary from giving preference to a particular group that is low-income elderly or women, children, and infants.

Prohibition of Privatization The Conference Report removes the House-passed provision prohibiting the Department of Agriculture from using private employers for food stamp program operations. The Administration had expressed strong opposition to this provision.

Title V - Farm Credit

Credit Availability Expansion: The bill expands credit availability for farmers and ranchers by increasing both the farm ownership loan limit and the operating loan limit to $300,000. Currently, the FSA limits maximum for each direct loans to $200,000 per borrower. This is consistent with a provision included in the House- passed legislation.

Loan Guarantee Program: A loan guarantee program is established to help farmers carry out conservation programs. The program requires the Secretary to guarantee 75 percent of the loan amount guaranteed. Priority is given to qualified beginning farmers and ranchers and owners or tenants who use the loans to convert to sustainable or organic agriculture systems.

Loan Authorization Levels: The conference agreement includes a Senate provision that increases the loan authorization for FSA loan programs to $4.226 billion.

Rural Utility Loans: The conference report allows rural utility loans to be considered as qualified loans for Federal Agricultural Mortgage Corporation financing.

Title VI – Rural Development

Definition of "Rural": The conference agreement provides a standard definition of "rural" and "rural area" to exclude cities of 50,000 or more and any urbanized area contiguous and adjacent to a city of 50,000 or more. In addition, it requires the USDA to conduct a rulemaking regarding housing density restrictions. The eligibility for water and waste disposal loans and grants program and the community facility program are unchanged from current law.

Provides $120 million in mandatory funds for applications that are pending for water systems, waste disposal systems and emergency community water assistance grants

Broadband Telecommunications: The bill includes language prohibiting the Secretary from making a broadband loan to any community in which there are three or more incumbent service providers. Also, requires at least 25% of service areas .In addition, it establishes a National Center for Rural Telecommunications Assessment and authorizes $1 million for each of fiscal years 2008 through 2012 for the Center.

Value-Added Agricultural Marketing Development Program: The conference agreement extends the program through 2012. It authorizes mandatory funding of $15 million for fiscal year 2009 of which 10 percent is reserved for socially disadvantaged farmers and 10 percent is reserved for projects proposing to develop mid-tier chains.

Reauthorizes the Delta Regional Authority and Northern Great Plains: Provides funding for programs and projects designed to serve the needs of distressed counties and isolated areas of distress.

Title VII - Research

National Institute of Food and Agriculture (NIFA): The Conference Report replaces the Cooperative State Research, Extension, and Education Services (CSREES) with NIFA. NIFA will administer fundamental and applied research programs as well as education programs while determining the appropriate balance between fundamental and applied research. It will also promote competitive grants to enhance research and development.

Specialty Crop Research Initiative: The Conference Report provides $230 million in mandatory funding to establish the Specialty Crop Research Initiative. This initiative will focus on addressing the needs and facilitating science-based solutions for the specialty crop industry.

Title VIII – Forestry

Healthy Forests Reserve Program: The bill provides $9.75 million annually for 2009 - 2012 in mandatory funding for the Healthy Forests Reserve Program. This Program was previously established in the Healthy Forests Restoration Act of 2003 for the purpose of restoring and enhancing forest ecosystems to: 1) promote the recovery of threatened and endangered species, 2) improve biodiversity; and 3) enhance carbon sequestration. The bill provides that land may be enrolled in the Program by: 1) a ten year cost-share agreement; 2) a 30 year easement; 3) a permanent easement; or 4) the maximum duration allowable under State law, respectively.

State-Wide Assessments: As a prerequisite to receiving federal funds for private forestry programs, the bill requires states to complete an assessment of forest resources and develop a strategy to deal with forest threats. These State strategies are to be updated and resubmitted as often as the Secretary, the States Forester or equivalent determines necessary. The bill authorizes up to $10 million to provide States with any financial and technical assistance needed to develop these assessment strategies, and requires recipient States to summit an annual report on how these funds were used.

Emergency Forest Restoration Program: The bill authorizes the Secretary of Agriculture to provide funding to help private forest owners recover forests after natural disasters. Natural disasters include events such as wildfires, hurricanes, drought, windstorms, insect, and disease infestation. The Secretary may determine whether other resource-impacting events not resulting from a lack of proper forest management may constitute a natural disaster. Private forest owners must demonstrate that their land had tree cover prior to the natural disaster in order to receive recovery assistance.

Title IX—Energy

Reauthorizes the federal procurement of biobased products program: The program requires federal agencies to purchase biobased products whenever possible. The program also requires USDA to develop guidelines for biobased products and issue a label for products that meet these guidelines. Provides up to $9 million in mandatory funding for the testing and labeling of biobased products.

Biorefinery Assistance: The bill provides $75 million for fiscal year 2009 and $245 million for fiscal year 2010 for loan guarantees to assist with the development of advanced biorefineries and biofuel production plants.

Davis-Bacon Labor: This section of the bill includes a requirement that local prevailing wages (Davis-Bacon) be paid to workers in all construction projects funded by the grants or loans under this section. Rural Energy for America Program: This conference agreement authorizes $250 million in mandatory funds for the Rural Energy for America Program (REAP). REAP provides grants for energy audits and renewable energy development assistance and financial assistance for energy efficiency improvements and renewable energy systems for agricultural producers and rural small businesses.

Biomass Research and Development: The conference agreement requires the Secretary of Agriculture and the Secretary of Energy to award competitive grants, contracts, and financial assistance to carry out research and development into biofuels and biobased products and technologies. There is $118 million in mandatory funding for this program.

Biomass Crop Assistance Program (BCAP): The BCAP is a new program that provides incentives for producers to establish and grow cellulosic energy crops.

CCC Bioenergy Program: Makes adjustments to the CCC Bioenergy Program to provide incentives for increased use of agriculture commodities (except corn) and agriculture and forestry waste for the expanded production of advanced biofuels. Provides $300 in mandatory funding over the life of the bill.

Sugar for Ethanol and other Biofuel Producers: The bill requires the Secretary to purchase sugar for resale to ethanol or other biofuels producers if the sugar supply was in excess and would otherwise be forfeited to the Commodity Credit Corporation.

> **Note: The Commodity Credit Corporation is a government owned corporation that serves to support farm income, prices, and exports.*

Title X – Horticulture and Organic Agriculture

Technical Assistance for Specialty Crops: The bill directs the Secretary to provide funds and technical assistance to specialty crop growers and State organizations to create a specialty crop certification and risk management system. The bill provides $4 million for 2008, $7 million for 2009, $8 million for 2010, and $9 million annually beyond 2011 for the implementation of these programs.

Pest and Disease Management: The bill establishes the Early Plant Pest Detection and Surveillance Improvement Program to coordinate Federal and State departments of agriculture to create action plans to detect and address pest and disease threats to specialty crops.

Specialty Crop Block Grant Program: Mandatory funding levels for the Specialty Crop Block Grant Program are increased each year under the bill. The bill provides grants in the amounts of $10 million for 2008, $49 million for 2009, and $55 million annually for 2010 through 2012.

Organic Certification Cost-Share Program: The Organic Certification Cost-Share Program, funded in the 2002 farm bill with $5 million in mandatory funding, is extended through 2012 with an additional $22 million. This program offers producers up to $750 per year to pay a portion of their expenses associated with the certification process.

Farmers' Market Assistance Program: To promote direct producer to consumer marketing activities, the bill authorizes $3 million for 2008, $5 million for 2009 and 2010, and $10 million for 2011 and 2012. Additionally, the bill provides that not less than 10 percent of these authorized funds are to be used to support the use of electronic benefit transfers for Federal nutrition programs at farmers' markets.

National Clean Plant Network: The bill directs the Secretary to establish a National Clean Plant Network Program, in which the Secretary is to enter into cooperative agreements with State and private entities to produce, maintain, and distribute healthy planting stock. The bill authorizes $5 million annually to carry out this section from 2009 to 2012.

Pest and Disease Revolving Loan Fund: The bill establishes the Pest and Disease Revolving Loan Fund, from which the Secretary is directed to use funds to provide loans up to $5 million to local governments to finance the purchase of equipment to monitor, remove, dispose, and replace infested trees.

Title XI – Livestock

Country of Origin Labeling: The bill modifies country of origin labeling requirements for covered commodities such as beef, lamb, pork, goat, macadamia nuts, and chicken. These provisions set specific labeling requirements for products, requiring them to be labeled as originating in the U.S., having multiple countries of origin, having been imported for immediate slaughter, or originating from a foreign country.

State Inspected Meat and Poultry: The bill creates an option for State inspected meat and poultry plants that are twenty-five employees or less to ship in interstate commerce. Plants that exercise this option must follow the regulations listed in the Federal Meat Inspection Act and the Poultry Products Inspection Act the same as any federally inspected plant. States are to be reimbursed for not less than 60 percent of eligible costs for enforcing these Federal regulations. State inspectors must follow USDA standards when inspecting plants.

Food Safety Improvement: The bill creates a requirement for establishments regulated by the USDA to immediately report to the Secretary upon determining that a meat and/or poultry product that it manufactured has entered the stream of commerce and is reasonably likely to cause serious adverse health problems or deaths to consumers. The legislation requires these establishments to prepare and maintain a product recall plan that may be available to the USDA for inspection.

Title XII – Crop Insurance

Supplemental Area-Based Crop Insurance: The bill allows producers to purchase supplemental area-based crop insurance wherein the Federal Crop Insurance Corporation would pay a portion of the insurance premium of the supplemental coverage. This provision is paid for by improving the actuarial soundness of crop insurance by reducing the loss ratio to 1.0.

Renegotiation of Reinsurance Agreements: Beginning in 2011, the bill requires the USDA to renegotiate the financial terms of the Standard Reinsurance Agreement that is signed with private insurers.

Reimbursement to Crop Insurance Companies: The conference agreement reduces the Administrative and Operating reimbursement rate by 2.3 percent and allows a 50 percent restoration in states with a loss ratio greater than 1.2.

> **Note: Crop insurance companies currently receive government reimbursement for a portion of their administrative and operating expenses.*

Title XIII – Commodity Futures

Commodity Futures Trading Commission (CFTC): The CFTC is reauthorized through 2013.

> **Note: According to the CFTC website, "Congress created the Commodity Futures Trading Commission (CFTC) in 1974 as an independent agency with the mandate to regulate commodity futures and option markets in the United States."*

Commodity Dealer Capital Requirement: The conference agreement establishes a $20 million capital requirement for dealers engaging in retail foreign exchange transactions.

Significant Price Discovery Contracts: The conference agreement provides a framework for the CFTC to make a determination that a contract traded on the Exempt Contract Market could qualify as a significant price discovery contract and be subject to additional regulation.

Title XIV – Miscellaneous

Socially Disadvantaged Farmers and Ranchers: The conference agreement requires the Secretary to establish an Office of Advocacy and Outreach within the Department of Agriculture which is charged with improving the viability and profitability of small farms and ranches, beginning farmers or ranchers, or socially disadvantaged farmers and ranchers. It also requires the Secretary to compile the program application and participation rate data regarding socially disadvantaged farmers for each county and state in the nation.

Agricultural Security: The conference agreement creates an Office of Homeland Security within the USDA to integrate and coordinate inter-agency response plans. The agreement mandates regular activity reports and financial audits of agricultural port inspection activities, but does not transfer agricultural inspectors back to USDA.

COST

According to the Congressional Budget Office (CBO), "Relative to CBO's March 2008 baseline projections, we estimate that enacting H.R. 2419 would increase direct spending by about $3.6 billion over the 2008-2018 period, assuming that the legislation would remain in effect throughout that period. JCT and CBO estimate that revenues would increase under the legislation by $0.7 billion over the same period. On balance, those changes would produce net costs (increases in deficits or reductions in surpluses) of about $2.9 billion over the 11-year period, relative to CBO's most recent baseline projections…Over the 2008-2012 period when the act would be in effect, spending on the programs it covers would total about $307 billion. Of that sum, $209 billion is for nutrition programs, $35 billion is for agricultural commodity programs, and $25 billion is for conservation programs." (CBO Cost Estimate)

ADDITIONAL VIEWS

The Administration: President George W. Bush threatened to veto H.R. 2419. In a statement issued May 13, 2008 the President gave the following reasons for opposing the bill, "crop prices have averaged a twenty percent increase since just last year. Still, Congress wants to raise payment rates for most crops and create new subsidies which can be triggered even at very high prices. The bill fails to stop the practice of collecting subsidies even when crops are sold later at a higher price; it restricts our ability to redirect food aid dollars for emergency use in the midst of a global food crisis; and it falls short of the Administration's conservation proposals. By increasing trade-distorting subsidies, the bill undermines our ability to open foreign markets to American agricultural goods. The bill creates an egregious new sugar subsidy program that will keep sugar prices high for domestic consumers, while making taxpayers subsidize a handful of sugar growers." (Farm Bill Statement, 5/13/08)

Agriculture Committee Ranking Republican Bob Goodlatte (R-VA): "The agreement that we've constructed addresses nutrition, renewable energy, and conservation, among others, while maintaining a safety net that allows for the continued production of an abundant, safe and affordable food supply. We've made great strides in reforming farm programs to reduce benefits going to the wealthiest of farmers and non-farmers alike, require direct attribution of benefits, establish a revenue-based counter-cyclical program, strengthen beneficial interest, and strengthen the integrity of the crop insurance program in addition to several other significant reforms. For the first time in history, we're putting a hard cap on the adjusted gross income (AGI) standard to prevent the wealthiest from receiving payments." (Press Release, 5/13/2008)

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